



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2016 TMOB 129
Date of Decision: 2016-07-20

IN THE MATTER OF AN OPPOSITION

Rolex SA

Opponent

and

Reklamidé i Vrämland AB

Applicant

1,502,741 for ROLL-X

Application

FILE RECORD

[1] On November 5, 2010, Reklamidé i Vrämland AB, located in Karlstad, Sweden, filed an application to register the trade-mark ROLL-X, based on proposed use in Canada in association with the following goods:

rollers for laminators for industrial use,
laminator film rolls for industrial use.

[2] The applicant claims a priority filing date of May 14, 2010, pursuant to s.34 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, based on its filing of a corresponding application in the EU on that date.

[3] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated August 3, 2011 and was opposed by Rolex SA on January 3, 2012. The Registrar forwarded a copy of the statement of opposition to the applicant on January 19, 2012, as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[4] The opponent's evidence consists of the affidavit of Victor Royce. The applicant's evidence consists of the affidavit of James Haggerty. Both parties submitted written arguments and both were represented at an oral hearing.

STATEMENT OF OPPOSITION

[5] The opponent pleads that it is the owner of the registered mark ROLEX used by the opponent in association with watches, retail store services for selling watches, and watch repair services, since well prior to applicant's priority filing date. The opponent pleads that "its ROLEX mark has amassed significant goodwill in its mark and developed a reputation as a symbol of high quality, luxury and reliability that is recognized throughout the world."

[6] The first, fifth and sixth grounds of opposition are based on s.30(i), (e) and (a) of the *Trade-marks Act*, alleging, respectively, that the applicant was aware of the opponent's mark ROLEX and therefore the applicant could not have been satisfied that it was entitled to register the mark ROLL-X; that the applicant never intended to use its mark in Canada or, alternatively, that the applicant used its mark in Canada prior to the filing date and the priority filing date; and that the applicant has not set out its goods in ordinary commercial terms.

[7] The remaining grounds of opposition, pursuant to s.12(1)(d), s.16(3)(a) and s.2 of the *Act*, turn on the issue of whether the applied-for mark ROLL-X is confusing with the mark ROLEX. The material times to assess the issue of confusion, from earliest to latest, are the date of filing the application, that is, the priority filing date May 14, 2010, with respect to s.16; the date of opposition, that is, January 3, 2012, with respect to s.2; and the date of my decision with respect to s.12: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209

(FCTD). However, in the circumstances of this case, nothing turns on whether the issue of confusion is assessed at a particular material date.

[8] Before discussing the allegations in the statement of opposition, I will first review the legal onus and the evidential burden on the parties, the meaning of confusion within the context of the *Trade-marks Act*, the legislative framework to assess confusion, and the parties' evidence.

LEGAL BURDEN AND EVIDENTIAL ONUS

[9] The applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements of the *Trade-marks Act* as challenged by the opponent in the statement of opposition. However, there is an initial evidential burden on the opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298.

MEANING OF CONFUSION

[10] Trade-marks are confusing when there is a reasonable likelihood of confusion within the meaning of s.6(2) of the *Trade-marks Act*, shown below:

The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services . . . associated with those trade-marks are manufactured . . . or performed by the same person, whether or not the goods or services . . . are of the same general class.

[11] Thus, s. 6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is whether potential customers wishing to purchase the goods specified in the subject application would believe that the applicant's goods, sold under the mark ROLL-X , were made by the opponent or that the applicant was authorized or licensed by the opponent, whose watches and watch repair services are sold under its mark ROLEX. As indicated earlier, the legal onus is on the applicant to show, on the usual civil balance of probabilities standard, that there would be no reasonable likelihood of confusion.

TEST FOR CONFUSION

[12] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances including” those specifically mentioned in s.6(5)(a) to s.6(5)(e) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the goods, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 CPR(3d) 308 (FCTD). However, as noted by Mr. Justice Rothstein in *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 CPR(4th) 361 (SCC), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

OPPONENT’S EVIDENCE

Victor Royce

[13] Mr. Royce identifies himself as the president and CEO of Rolex Canada Ltd. (“RCL”), a Canadian subsidiary of the opponent. The opponent is a Swiss corporation headquartered in Geneva, Switzerland. The opponent was founded in 1905 and has been engaged in the manufacture of luxury, high-performance, high-precision timepieces for more than 100 years. The opponent has been a leading innovator in the watch-marking art and science. As of 2012, the opponent was the largest manufacturer of Swiss-made certified chronometers in the world, its ROLEX products being sold in over 100 countries.

[14] Mr. Royce’s position is that its mark ROLEX is well-known worldwide. He has provided Exhibits A to D showing extensive use and promotion of the mark worldwide (but not specifically in Canada) to substantiate his assertion. The exhibit materials (discounting the hearsay in Exhibits A and B) generally support the assertions in his affidavit.

[15] In Canada, the opponent, through its subsidiary and exclusive distributor RCL, has used its mark ROLEX for retail store services and the operation of boutiques within a store since 1974, and for repair and related maintenance services (the “services”) for watches since 1946. The opponent’s watches (shown in Exhibit G) prominently display the mark ROLEX in the middle of the upper half of the face of the watch, always together with a less prominent crown design centered above the mark. At all material times the opponent exercised direct control over the character and quality of the products distributed and the services offered through RCL.

[16] Mr. Royce describes the opponent’s retail operation at paras. 17-20 of his affidavit, shown below:

17. Only the finest retail jewelers across Canada are chosen as Official Rolex Retailers by RCL on behalf of the Opponent. Several Official Rolex Retailers in Canada have built boutiques or shop-in-shops within their stores in accordance with the Opponent's specifications to showcase and offer for sale one or more of the Products bearing the ROLEX trade-mark to consumers.

18. The Official Rolex Retailers' stores which have boutiques or shop-in-shops may also have the ROLEX trade-mark on their storefronts. All boutiques or shop-in-shops within stores of the Official Rolex Retailers are clearly marked with the ROLEX trade-mark. Attached as Exhibit "H" are photographs of some of the storefronts of and boutiques operated by Official Rolex Retailers across Canada. This manner of displaying the ROLEX trade-mark at boutiques is representative of all boutiques operated in Canada.

19. Attached as Exhibit "I" are sample invoices bearing the ROLEX trade-mark which were provided to Official Rolex Retailers across Canada by RCL on behalf of the Opponent upon the sale of one or more of the Products to between 2005 and 2012. These sample invoices are representative of all invoices provided to Official Rolex Retailers requesting the Services relating to one or more of the Products in Canada.

20. Between 2005 and 2011, RCL and Official Rolex Retailers on behalf of the Opponent have sold in Canada annually in excess of \$8 million worth of Products through retail services in association with the ROLEX trade-mark.

[17] Mr. Royce describes the opponent’s repair and maintenance operation at paras. 21-27 of his affidavit, shown below:

21. RCL and/or Official Rolex Retailers also provide post-sale repair and maintenance services to customers in Canada for one or more of the Products bearing the ROLEX trade-mark.

22. Customers in Canada are provided with an international warranty that offers certain repair services without any charge for the Opponent's products bearing the ROLEX trade-mark for two years following the date of their purchase. Attached as Exhibit "J" is a sample brochure containing the warranty wherein the repair services available from the Opponent have been highlighted. The brochure is provided with each Product sold to consumers in Canada and bears the ROLEX trade-mark. The remaining information has been redacted for confidentiality purposes.

23. Other than the repair services outlined in paragraph 22 for the period of the warranty, the Opponent offers all repair and maintenance services, including but not limited to overhaul, sizing, cleaning and polishing services, to Canadian customers for the Products for a fee at any time.

24. In order to access these repair and maintenance services, whether under warranty or otherwise, a customer can either: (a) provide the Product directly to RCL or (b) drop off the Product to be repaired with any Official Rolex Retailer, who then forwards the Product on to RCL. RCL is the entity officially sanctioned by the Opponent to carry out repair and maintenance services on the Products. The Opponent controls the level of qualification to be met by every repair person hired by RCL.

25. Attached as Exhibit "K" are sample forms, labels and cost estimates provided to the consumers in Canada of the Products who request repair and maintenance services either directly or indirectly to RCL.

26. Attached as Exhibit "L" are sample invoices bearing the ROLEX trade-mark which were provided to customers across Canada by RCL to the Official Rolex Retailers for repair and/or maintenance services over the last seven years. Similar invoices are issued for repair and/or maintenance services provided to consumers in Canada directly. These sample invoices are representative of all invoices related to repair and/or maintenance services provided by RCL in Canada.

27. Between 2005 and 2011, RCL, directly or through the Official Rolex Retailers, has provided after-sales services and sold parts and accessories in excess of \$500,000 annually to consumers in Canada.

[18] The opponent has been promoting its products and services in Canada in association with the trade-mark ROLEX since at least as early as 1913. Such promotion consists of placing advertisements in various magazines and newspapers that have regional or national circulation or through television; through distribution catalogues, brochures and information cards to

customers in Canada; by the operation of a website displaying the products available for sale. Examples of the opponent's advertising are illustrated in Exhibits N-P of Mr. Royce's affidavit.

[19] Mr. Royce's testimony and supporting exhibit material are sufficient for me to conclude that, at all material times, the opponent's mark ROLEX for use in association with watches had acquired a significant reputation in Canada, although a lesser reputation for use in association with related repair and maintenance services. However, on the basis of the evidence before me, I am unable to accept the opponent's position that its mark ROLEX is "famous" in Canada.

APPLICANT'S EVIDENCE

James Haggerty

[20] Mr. Haggerty identifies himself as a trade-mark searcher employed by the firm representing the applicant. He conducted a computer search of the trade-marks register, maintained under the auspices of the Canadian Intellectual Property Office (which also administers this Board), to locate registrations for ROLL or ROL formative marks for use in association with roller-related goods. The results of his search, which located 33 marks, are attached *en liasse* as Exhibit A to his affidavit.

[21] The applicant has summarized Exhibit A at para. 20 of its written argument. From my inspection of para. 20, I note that most of the marks stand in the names of different owners. The registered marks include, for example, ROL-TEK for roller coaters; ROLL-A-DECK for rolling platforms; ROLLMAX for harvester roll-up attachments; and ROL-LOC for a securing plastic wrap. The state of the register evidence provided by the applicant indicates that it is not uncommon for traders to choose marks comprised of the term ROL or ROLL in association with goods and/or services that have a connection with the noun or verb "roll."

GROUND OF OPPOSITION BASED ON S.30

[22] I agree with the applicant's submissions at paras. 24-29 regarding the grounds of opposition based on s.30:

[24] The Opponent has pleaded that the application does not comply with the requirements of Section 30(a) of the Act in that "the statement of wares in the

application is not set out in ordinary commercial terms as required by s. 30(a) and is ambiguous and vague."

[25] The Opponent has also pleaded that the Applicant did not, by itself, or through a licensee or by itself and through a licensee, intend to use the advertised trade-mark in Canada as at the filing date of the application. Alternatively, the Opponent has alleged that the Applicant has used the mark in Canada in association with the wares listed in the application prior to the priority filing date and filing date of the application, contrary to Section 30(e).

[26] The evidence of the Opponent does not support any of these allegations. Accordingly, the Opponent has failed to meet its evidential burden and the s. 30(a) and 30(e) grounds of opposition ought to be dismissed.

[27] The Opponent has also pleaded that the application does not comply with the requirements of s. 30(i) of the Act as:

...the Opponent had used the Opponent's Mark in Canada in association with the services identified at Schedule A, prior to the date of filing, and priority filing date of Application No. 1,502,741. At the date of the application, and at all material times, a search of the Trademarks Register would have located the Opponent's Mark relied upon herein, and in any event, the Applicant was well aware of the Opponent's use of its ROLEX mark in Canada and abroad and therefore could not have been satisfied under s.30(i) of its entitlement to use the mark applied for.

[28] This ground, as pleaded, does not raise a proper ground of opposition. The mere fact that the Applicant may have been aware of the existence of the Opponent's ROLEX trade-mark at the time of filing the application for its mark does not preclude it from making the statement in its application required by s.30(i) of the Act.

[29] Even if the ground had been properly pleaded, where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional circumstances such as where there is evidence of bad faith on the part of the applicant. There is no such evidence in the present case. Accordingly, the s. 30(i) ground of opposition ought to be dismissed.

[23] The grounds of opposition based on s.30 are rejected. The remaining grounds, as discussed earlier, turn on the issue of confusion, discussed next.

ASSESSING CONFUSION - CONSIDERATION OF S. 6(5) FACTORS

Factors 1 & 2 - Inherent and Acquired Distinctiveness; Length of Time in Use

[24] The opponent's mark ROLEX possesses a high degree of inherent distinctiveness because (i) it is a coined word and (ii) it has no connotations which link the term to watches or watch repair services. The mark ROLEX had also, at all material times, acquired a substantial

degree of distinctiveness through sales and promotion in Canada. The opponent has used its mark ROLEX in Canada since at least 1974 in association with retail watch sales, and since at least 1946 in association with watch repair services.

[25] In contrast, the applied-for mark ROLL-X possesses a fairly low degree of inherent distinctiveness because (i) the prefix ROLL is a dictionary word, (ii) the suffix X is merely a letter of the alphabet, and (iii) the term ROLL-X is suggestive of the applicant's goods because the prefix ROLL is related to the applicant's goods. My finding that the mark ROLL-X possesses a fairly low degree of inherent distinctiveness is consistent with the state of the trade-mark register evidence adduced by Mr. Haggerty: see para. 21, above.

[26] The subject application was filed on November 5, 2010, based on proposed use in Canada, and the applicant has not evidenced any use of its mark in Canada at any material time.

[27] Accordingly, the first and second factors strongly favour the opponent. However, as noted earlier, all factors do not necessarily have equal weight - the weight to be given to each factor depends on the circumstances of the particular case.

Factors 3 & 4 - The Nature of the Goods, Services or Business; The Nature of the Trade

[28] I agree for the most part with the applicant's submissions at paras. 39 and 40 of its written argument regarding the third and fourth factors:

[39] The Applicant's mark is for use in [sic] with "*rollers for laminators for industrial use, laminator film rolls for industrial use*" whereas the Opponent's mark is for use in association with "*retail store services, namely the operation of boutiques within a store, namely retail jewellery[sic] and watch store and point-of-sale services for jewellery[sic], watches and clocks, and watch-making products*" and "*services of repair, overhaul, sizing, maintenance, cleaning and polishing of jewellery[sic], watches, clocks and parts and accessories thereof.*" Clearly there is no overlap in the nature of the parties' wares and services.

[40] Based on the evidence of record, the nature of the parties' trades are also distinct. The Opponent's goods are sold to the general public through its Official Rolex Retailers which are considered to be "the finest jewelers across Canada". The Applicant's "*rollers for laminators for industrial use, laminator film rolls for industrial use*" would clearly not be sold through the Opponent's Official Rolex

Retailers to the general public, rather it can be assumed these goods would be sold to an industrial/professional public.

[29] The opponent's goods and services are very different from the applicant's goods and, in the absence of evidence to the contrary, I have no reason to believe that the applicant would be marketing its goods through the same channels of trade as the opponent. The third and fourth factors strongly favour the applicant.

Factor 5 – Resemblance (Appearance; Sound; Ideas)

[30] The overall visual impacts of the parties' marks ROLEX and ROLL-X are substantially more different than alike, although there are of course points of visual similarity. The parties' marks are identical phonetically. ROLEX is a coined word which suggests no idea in particular while the mark ROLL-X suggests the idea of something circular or cylindrical. When all three aspects of resemblance are considered together, I find that the marks are substantially more different than alike. The last factor therefore favours the applicant.

JURISPRUDENCE

[31] Even though I have concluded that the mark ROLEX is not famous in Canada, I have nevertheless taken guidance from *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 CPR(4th) 321 (SCC) and *United Artists Corp. v. Pink Panther Beauty Corp.* (1998), 80 CPR(3d) 247 (FCA) wherein Mattel and United Artists relied on their "famous" marks (BARBIE and THE PINK PANTHER, respectively) to allege trade-mark confusion. In both cases the fame of the marks being relied on did not "trump" the other considerations in s.6(5). The allegations of confusion were rejected even though there were high degrees of resemblance between the marks in issue.

[32] In *Mattel*, above, the opponent relied on its use of the mark BARBIE in association with dolls to allege confusion with the applied-for mark BARBIE'S & Design used in association with restaurant services. The Court noted as follows in respect of the nature of the parties' trades, at paras. 86 -87:

[86] The parties operate in different and distinct channels of trade within which their respective wares and services do not intermingle. In *McDonald's Corp.*, at p. 474, McKeown J. pointed out that even though both parties sold coffee, a specialty coffee store occupies a different market niche than a fast food outlet (aff'd (1996),

68 C.P.R. (3d) 168 (F.C.A.)). The nature and kind of customer who would be likely to buy the respective wares and services has long been considered a relevant circumstance: *General Motors Corp. v. Bellows* (1949), 10 C.P.R. 101 at pp. 116-17, [1950] 1 D.L.R. 569; Fox (2002), at pp. 8-38 to 8-40.

[87] In the present case, quite apart from the great difference between the appellant's wares and the respondent's services, they occupy different channels of trade and the increased potential for confusion that might arise through intermingling in a single channel of trade does not present a serious problem. (emphasis added)

[33] In *Pink Panther*, above, United Artists relied on its mark THE PINK PANTHER, used in association with movies, to allege confusion with the mark PINK PANTHER, used in association with beauty supplies. The Court began by identifying an underlying issue:

[1] This appeal raises the question of how far the *Trade-marks Act* . . . will go to protect famous trade-marks where those marks are used in relation to completely different wares or services.

[34] The Court discusses how the fame of a mark may be offset by differences in the parties' goods (formerly referred to as "wares") and trades, at paras. 50-52:

[50] The Trial Judge's conclusions with respect to the differences in nature of the wares and the nature of the trade are accurate. He found both of these to be quite dissimilar. I agree, but I would underscore the differences to a greater extent. In my view, the Trial Judge has erred in finding that the factors were fairly balanced between the respondent and the appellant, and in finding in favour of United Artists by virtue of the fame of their mark. There is no doubt that THE PINK PANTHER is a famous and strong trade-mark. If it does not have inherent distinctiveness, then it certainly has acquired a great deal of distinctiveness in the thirty years or so that it has been part of popular culture. However, the issue to be decided is not how famous the mark is, but whether there is a likelihood of confusion in the mind of the average consumer between United Artists' mark and the one proposed by the appellant with respect to the goods and services specified. That question must be answered in the negative. There is no likelihood of confusion as to the source of the products. The key factor here is the gaping divergence in the nature of the wares and in the nature of the trade. It is not a fissure but a chasm.

[51] United Artists produces movies. It does not manufacture or distribute beauty products. United Artists' products are not likely to be made available in the same places of trade as the appellant's products. Shampoo is not sold in movie theatres or video stores. Videos are not available in beauty parlours. These are facts recognized by the Trial Judge, but they bear emphasizing. What the Trial Judge did not give sufficient weight to is that, not only were the wares in each case completely disparate, but there is no connection whatsoever between them. As I stated earlier, where no such connection exists a finding of confusion will be rare.

[52] This is a proposed trade-mark. There has been no actual use of the mark in Canada as of yet. In any case of proposed use the likelihood of confusion will always be a speculative matter. . . Based only on the fact that the respondent's mark is famous, there should not be an automatic assumption of confusion. The cases make this clear. There is only a tendency toward protection depending upon the other factors involved. In the circumstances, remembering that the test to be met is likelihood of confusion (not possibility of confusion), I do not see how the fame of the mark acts as a marketing trump card such that the other factors are thereby obliterated. (emphasis added)

[35] Similarly, the Court in *Mattel* noted that neither the acquired distinctiveness of a mark nor the differences in the parties' goods and services should individually be considered so dominant as to be determinative of the issue of confusion, at paras. 71 -72:

[71] To the extent Linden J.A. held that the difference in wares or services will always be a dominant consideration, I disagree with him, but given the role and function of trade-marks, it will generally be an important consideration. . . .

[72] . . . the appellant . . . seeks to sidestep the "all the surrounding circumstances" test in the case of a famous trade-mark and place fame in the ascendant. I agree with the appellant that a difference in wares or services does not deliver the knockout blow, but nor does the fame of the trade-mark. Each situation must be judged in its full factual context. (emphasis added)

DISPOSITION

[36] In the instant case, I have considered that the opponent is the much senior user; that the mark ROLEX possesses a high degree of inherent distinctiveness while the mark ROLL-X possesses a low degree of inherent distinctiveness; and that, at all material times, the mark ROLEX had acquired a significant reputation in Canada while the mark ROLL-X had not acquired any distinctiveness. I have also considered that there is a wide divergence in the parties' goods, services, and channels of trades, and that the parties occupy different market niches.

[37] In view of the foregoing, and following the guidance in *Mattel* and *Pink Panther*, above, I find that at all material times the applicant has met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the applied-for mark ROLL-X and the opponent's mark ROLEX. My finding would have been the same even if I had accepted the opponent's position that its mark ROLEX was at all material times famous in

Canada. In the circumstances of this case, the purported fame of the opponent's mark would not have trumped the divergence in the parties' goods and services.

[39] In view of the foregoing, the opposition is rejected.

[40] This decision has been made pursuant to a delegation of authority by the Registrar of Trade-marks under s.63(3) of the *Trade-marks Act*.

Myer Herzig, Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office

APPEARANCES AND AGENTS OF RECORD

HEARING DATE: 2015-03-16

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